

Section 3.9 No Disqualification. None of Parent, Buyer, or any Person "associated" (as such term is defined in the Investment Advisers Act) with Parent or Buyer has been convicted of any crime or is subject to any disqualification that would be a basis for denial, suspension, or revocation of registration of an investment adviser under Section 203(e) of the Investment Advisers Act or Rule 206(4)-4(b) thereunder. None of Parent, Buyer or any "associated person" of Parent or Buyer is subject to a "statutory disqualification" (as such terms are defined in the Exchange Act) or subject to a disqualification that would be a basis for censure, limitations on the activities, functions or operations of, or suspension or revocation of the registration of a broker-dealer under the Exchange Act.

ARTICLE IV. COVENANTS

Section 4.1 Conduct of Business of the Company. Except as contemplated by this Agreement, during the period commencing on the date hereof and ending at the Closing, Seller shall, and shall cause GAC to, conduct the operations of the Acquired Companies according to the ordinary course of business of the Acquired Companies, consistent with past practice, and Seller shall, and shall cause GAC to, use commercially reasonable efforts to preserve intact the business organization of the Acquired Companies and to maintain satisfactory relationships with the customers, suppliers and employees and others with which the Acquired Companies have business relationships. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Closing, neither Seller nor GAC will, without the prior written consent of Parent:

(a) amend or propose to amend the Constituent Documents of any Acquired Company;

(b) authorize for issuance, issue, sell, pledge, deliver or agree or commit to issue, sell, pledge or deliver (whether through the issuance or granting of any options, warrants, calls, subscriptions, stock appreciation rights or other rights or other agreements) any capital stock of any class or any securities convertible into or exchangeable for shares of capital stock of any class of any Acquired Company;

(c) permit or cause any Acquired Company to declare or pay any dividend or make any other distribution to its stockholders whether or not upon or in respect of any shares of its capital stock; provided, however, that Parent and Buyer acknowledge that Seller may make a one-time cash dividend (an "Excess Capital Dividend") from the Insurance Subsidiaries at any time during the period beginning on May 31, 2004 and ending on June 30, 2004, if and to the extent that Seller has determined in good faith that the June Adjusted Statutory Book Value, if calculated as of the date of such dividend, would be in excess of the Target Statutory Book Value (but in no event shall the amount of any such Excess Capital Dividend be greater than \$75,000,000); provided, further, however, that Seller shall provide Buyer with two (2) Business Days' prior written notice of its intent to make an Excess Capital Dividend, and shall set forth within such notice the intended amount of such Excess Capital Dividend;

(d) except as otherwise contemplated by this Agreement or as required to ensure that any Plan is not then out of compliance with applicable Law or to comply with any Contract and Other Agreement or Plan entered into prior to the date hereof and heretofore delivered to Buyer, (A) adopt, enter into, terminate or amend any collective bargaining agreement or Plan or any Contract and Other Agreement or other plan or policy involving any current or former employees of an Acquired Company or any Bank Channel Employee, (B) increase in any manner the compensation, bonus or fringe or other benefits of, or pay any bonus of any kind or amount whatsoever to, any current or former employees of an Acquired Company or any Bank Channel Employee, except for any planned salary increases and payment of bonuses, each as described in Part 2.8(c) of the Seller Disclosure Letter, (C) pay any benefit or amount not required under any Plan or Contract and Other Agreement as in effect on the date of this Agreement, other than as contemplated in the foregoing clause (B), (D) grant or pay any severance or termination pay or increase in any manner the severance or termination pay of any current or former employees of an Acquired Company or any Bank Channel Employee, (E) grant any awards under any bonus, incentive, performance or other Plan, Contract and Other Agreement or otherwise, other than as contemplated in the foregoing clause (B), (F) take any action to fund or in any other way secure the payment of compensation or benefits under any Plan or Contract and Other Agreement, (G) take any action to accelerate the vesting or payment of any compensation or benefit under any Plan or Contract and Other Agreement or (H) materially change any actuarial or other assumption used to calculate funding obligations with respect to any Acquired Company Plan or change the manner in which contributions to any Acquired Company Plan are made or the basis on which such contributions are determined;

(e) enter into any Contract or Other Agreement that would constitute a Material Contract, other than in the ordinary course of business of the Acquired Companies consistent with past practice; provided, however, that in no event shall any of the Acquired Companies incur or assume any long-term indebtedness for borrowed money;

(f) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the stock or assets of, or by any other means, any business or any corporation, partnership, joint venture, association, or other business organization or division thereof;

(g) permit any Insurance Subsidiary voluntarily to forfeit, abandon, modify, waive, terminate or otherwise change any of its insurance licenses, except (i) as may be required in order to comply with Law or (ii) such forfeitures, abandonments, terminations, changes, modifications or waivers of insurance licenses as would not, individually or in the aggregate, restrict the business or operations of such Insurance Subsidiary in any material respect;

(h) permit, allow or suffer any of the Shares to become subjected to any Lien of any nature whatsoever, except for Liens arising under operation of Law;

(i) except in the ordinary course of business consistent with past practice, permit any Acquired Company to sell, lease, license or otherwise dispose of any material assets (and other than acquisitions and dispositions of investments in the Investment Portfolio in accordance with the Investment Guidelines in the ordinary course of business consistent with past practice);

(j) permit any Acquired Company to enter into any lease of real property, except (i) any renewals of existing leases in the ordinary course of business and consistent with past practice or (ii) as expressly contemplated in any Transaction Document;

(k) except for (i) intercompany transactions in the ordinary course of business (all of which shall be unwound by June 30, 2004, in accordance with Section 4.13), (ii) Related Contracts and (iii) the payment of the Excess Capital Dividend, permit any Acquired Company to pay, loan or advance any amount to, or sell, transfer or lease any of its assets to, or enter into any Contract or Other Agreement with, Seller or any of its Affiliates (other than another Acquired Company);

(l) permit any Acquired Company to make any material change in its underwriting or claims management practices, pricing practices, reserving practices, reinsurance practices, marketing practices or investment policies or practices or Investment Guidelines, except in each case as required by Law or SAP or in the ordinary course of business consistent with past practice;

(m) permit any Broker/Dealer Subsidiary or Investment Adviser Subsidiary voluntarily to forfeit, abandon, amend, modify, waive, terminate or otherwise change any of its registrations, licenses, qualifications with any Governmental Entity or its memberships in any self-regulatory organizations, securities exchanges, boards of trade, commodities exchanges, clearing organizations or trade organizations, except (i) as may be required in order to comply with Law or (ii) such forfeitures, abandonments, amendments, terminations, changes, modifications or waivers as would not, individually or in the aggregate, restrict the business or operations of such Subsidiary in any material respect;

(n) permit any Acquired Company to sell, assign, transfer or convey any Acquired Company Proprietary Right;

(o) permit any Acquired Company to make any material change in fiscal year, accounting methods or principles used for GAAP or statutory reporting purposes, except for changes which are required by Law, SAP or GAAP of all enterprises in the same business;

(p) with respect to the Investment Adviser Subsidiaries and their Clients, permit any Investment Adviser Subsidiary to (i) enter into any new, or modify or terminate any existing, investment advisory contracts with any existing Clients; (ii) form any new Registered Investment Companies or terminate, merge or liquidate any existing Registered Investment Companies; (iii) enter into any new, or modify or terminate any existing, contracts with Registered Investment Companies or (iv) fail to use commercially reasonable efforts to cause each Registered Investment Company (subject to the authority of the board of trustees or directors of such Registered Investment Company) to operate its business only in the ordinary course of business and in a manner comporting with the standards of portfolio management and service quality heretofore met by it and to comply with applicable Law (including but not limited to the Securities Act, the Investment Advisers Act, the Investment Company Act and ERISA);

(q) permit any Acquired Company to make any material Tax election or settle or compromise any material Tax liability;

(r) permit any Acquired Company to revalue any properties or assets, including writing off notes or accounts receivable, other than in the ordinary course of the business of the applicable Acquired Company, or as required by applicable Law, SAP or GAAP;

(s) permit any Acquired Company to make any loan, advance, guarantee or capital contribution to any Person (other than another Acquired Company), other than under a Related Contract;

(t) permit any Acquired Company to adopt any plan of complete or partial liquidation, dissolution, rehabilitation, restructuring, recapitalization, re-domestication or other reorganization;

(u) permit any Acquired Company to enter into any joint venture, partnership or similar Contract or Other Agreement with any Person;

(v) permit any of the Insurance Subsidiaries to take any action intended to cause lapses, conversions or the terminations of any Life & Annuity Contract or to encourage any agents of an Insurance Subsidiary to roll over any Life & Annuity Contract, other than with respect to Equity Indexed Annuity contracts (it being agreed that actions permitted pursuant to clause (l) of this Section 4.1 do not violate this covenant);

(w) fire or otherwise terminate the employment of any Business Employee, except for cause in accordance with past practice;

(x) permit any Acquired Company to launch or introduce any material new product or service;

(y) take or fail to take any action or permit any Acquired Company to take or fail to take any action, in each case for the purpose of either (i) shifting statutory income or surplus from the period following June 30, 2004 to the period preceding June 30, 2004 or (ii) increasing statutory income or surplus with the intent of increasing the June Adjusted Statutory Book Value or increasing the Closing Consideration to the detriment of Buyer and Parent; provided, however, that Parent and Buyer agree that any action taken by Seller, to the extent necessary to ensure that an independent auditor's opinion will be unqualified after an issue as to ability to give an unqualified opinion is raised by such auditor, shall not be deemed to be a breach of this Section 4.1(y);

(z) modify, amend or terminate either (i) the letter agreement between Safeco Insurance Company of America and Safeco Life Insurance Company dated as of March 1, 2004 relating to the use of the "EXPRESS" mark or (ii) the letter agreements between Safeco Insurance Company of America and Safeco Life Insurance Company dated as of March 1, 2004 relating to the use of certain marks containing "SAFE" by Safeco Life Insurance Company (such letters, the "IP Side Letters"); or

(aa) agree, commit or arrange to do any of the foregoing.

Section 4.2 Access and Information.

(a) Pre-Closing. Between the date of this Agreement and the Closing, Seller shall, and shall cause the Acquired Companies to, afford Parent and its authorized representatives (including its financing sources and accountants, financial advisors and legal counsel) upon one (1) Business Day's prior written notice, reasonable access during normal business hours to all of the properties, personnel, Contracts and Other Agreements and other books and records of the Acquired Companies and shall promptly deliver or make available to Parent such other information concerning the business, properties, assets and personnel of the Acquired Companies as Parent may from time to time reasonably request. Parent shall hold, and shall cause its representatives (as provided for in the letter agreement dated October 21, 2003 (the "Confidentiality Agreement") between Seller and Parent) to treat all such information as Evaluation Material (as defined in the Confidentiality Agreement) and to hold such information in confidence in accordance with the terms of the Confidentiality Agreement and, in the event of the termination of this Agreement for any reason, Parent promptly shall return or destroy all Evaluation Material (including such information) in accordance with the terms of the Confidentiality Agreement.

(b) Post-Closing.

(i) Following the Closing Date, Buyer shall, and shall cause the Acquired Companies to, allow Seller, upon one (1) Business Day's prior written notice and during normal business hours, through its affiliates, employees and representatives, (x) the right to examine and make copies, at Seller's expense, of the books and records of the Acquired Companies, and (y) reasonable access to Buyer's and the Acquired Companies' employees, in the case of either clause (x) or (y), for the preparation and review of the June Financial Statements and any other action or inquiry related to the procedures set forth in Section 1.4, regulatory and statutory filings, earnings releases, statistical supplements, financial statements (including, but not limited to, the timely preparation pursuant to Seller's then-current schedule and filing of Seller's current, quarterly and annual reports on Forms 8-K, 10-Q and 10-K for any post-closing period) and the conduct of any third-party litigation. Parent and Buyer shall cause their, and the Acquired Companies', affiliates, employees and representatives to (A) reasonably cooperate with Seller in connection with the foregoing and (B) under the supervision of Seller, prepare the June Financial Statements, to the extent not yet prepared and finalized as of the Closing Date, in the ordinary course of the performance of their responsibilities. Buyer shall, and shall cause the Acquired Companies to, maintain the books and records of the Acquired Companies for examination and copying by Seller for a period of not less than six (6) years following the Closing Date or any longer period as mandated by applicable Law, after which, Buyer or the Acquired Companies may destroy such records in their sole discretion. Access to such records shall not unreasonably interfere with the business operations of Buyer, any Acquired Company or any of their respective successors.

(ii) Following the Closing Date, Seller shall allow Buyer, upon one (1) Business Day's prior written notice and during normal business hours, through its affiliates, employees and representatives, the right to (x) examine and make copies, at Buyer's expense, of the books and records of Seller retained by Seller and maintained by Seller after the Closing Date; but only to the extent that such books and records relate to the Acquired Companies; and (y) reasonable access to any of Seller's employees, in the case of either clause (x) or (y), for the review of the June Financial Statements, and any other action or inquiry related to the procedures set forth in Section 1.4, regulatory and statutory filings, earnings releases, statistical supplements, financial statements and the conduct of any third-party litigation. Seller shall cause its affiliates, employees and representatives to reasonably cooperate with Parent and Buyer in connection with the foregoing. Seller shall maintain such books and records for examination and copying by Buyer for a period of not less than six (6) years following the Closing Date or any longer period as mandated by applicable Law, after which, Seller may destroy such records in its sole discretion. Access to such records shall not unreasonably interfere with the business operations of Seller or any of its successors.

Section 4.3 Commercially Reasonable Efforts; Additional Actions. Upon the terms and subject to the conditions of this Agreement, each of the parties hereto shall use their respective commercially reasonable efforts to take, or cause to be taken, all action, and to do or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and the other Transaction Documents, including using their respective commercially reasonable efforts to (i) effect promptly all necessary or appropriate registrations and filings with Governmental Entities (including filings under the HSR Act), (ii) effect promptly and prosecute diligently (including responding to all requests for supplemental information) all approvals, filings and/or notices required under any applicable insurance laws for the consummation of the transactions contemplated by this Agreement and the other Transaction Documents and (iii) fulfill or cause the fulfillment of the conditions to Closing set forth in Article V.

Section 4.4 Notification of Certain Matters. (a) Seller shall give notice to Parent, and Parent and Buyer shall give notice to Seller, promptly upon becoming aware of any occurrence, or failure to occur of any event that, if existing or known at the date of this Agreement, (i) would have been required to be set forth or described in the Seller Disclosure Letter or (ii) which would reasonably be expected to cause any representation or warranty in this Agreement to be untrue or inaccurate in any material respect at any time after the date hereof and prior to the Closing; provided, however, that for the purposes of the rights and obligations of the parties hereunder, any such notice shall have no effect for the purpose of determining the satisfaction of the conditions set forth in Article V or for purposes of determining whether any Person is entitled to indemnification pursuant to Article VII.

(b) Parent shall give notice to Seller, promptly upon becoming aware of any occurrence, or failure to occur, of any event that, if existing or known at the date of this Agreement, would reasonably be expected to cause Parent's representation and warranty in Section 3.6 of this Agreement to be untrue or inaccurate in any material respect at any time after the date hereof and prior to the Closing. Parent shall also promptly provide Seller with copies of every material commitment letter modification or material amendment and all other material notices or correspondence with respect to the Financing.

Section 4.5 Public Announcements. The initial press release or releases with respect to the transactions contemplated by this Agreement shall be in the form agreed to by Parent and Seller. Thereafter, for as long as this Agreement is in effect, Parent and Buyer, on the one hand, and Seller, on the other hand, shall not, and shall cause their subsidiaries and Affiliates not to, issue or cause the publication of any press release or any other announcement (including without limitation announcements to employees, agents or policyholders) with respect to the transaction set forth in Section 1.1, this Agreement or the other transactions contemplated hereby without the consent of the other, except where such release or announcement is required by applicable Law or pursuant to any listing agreement with, or the rules or regulations of, any securities exchange or any other regulatory requirements, in which case the party required to make the release or announcement shall allow the other party reasonable time to comment on such release or announcement in advance of such issuance. Schedule 4.5 hereto sets forth the representatives of Parent and Seller authorized to provide the consent contemplated by the preceding sentence.

Section 4.6 Certain Employee Matters.

(a) Seller and the Acquired Companies shall take such action as is necessary such that the Acquired Companies shall, as of the Closing Date, cease being "participating employers" and shall cease any co-sponsorship and participation in each Seller Plan that is jointly adopted, sponsored or maintained by Seller and an Acquired Company. Except as otherwise expressly provided in this Section 4.6, the Acquired Companies shall have no further liability and Seller shall retain all liabilities with respect to claims incurred under any such Seller Plan prior to the Closing Date, whether such claims are made prior to, on or after the Closing Date. For this purpose claims under any medical, dental, vision, or prescription drug plan, generally will be deemed to be incurred on the date that the service giving rise to such claim is performed and not when such claim is made; provided, however, that with respect to claims relating to hospitalization the claim will be deemed to be incurred on the first day of such hospitalization and not on the date that such services are performed. Claims for disability under any long or short term disability plan shall be incurred on the date the employee or former employee is first absent from work because of the condition giving rise to such disability and not when the employee or former employee is determined to be eligible for benefits under the applicable Seller Plan. Notwithstanding anything to the contrary herein, Seller shall retain all liabilities under all Seller Plans, except as otherwise expressly provided in Section 4.6. For the avoidance of doubt, Seller shall retain all liabilities with respect to equity or equity-based awards under any Plan. Seller shall provide any continuation coverage required under Section 4980B of the Code, Part 6 of Title I of ERISA or applicable state Law ("COBRA") to each "qualified beneficiary" as that term is defined in COBRA whose first "qualifying event" (as defined in COBRA) occurs on or prior to the Closing Date. The Acquired Companies shall retain responsibility for all accrued but unused vacation pay for each of their respective Acquired Company Employees (other than any Bank Channel Employees who become Acquired Company Employees). As soon as practicable, but in any event within five (5) Business Days following the Closing Date, Seller shall provide Buyer with a list setting forth, with respect to each Acquired Company Employee (other than any Bank Channel Employee who becomes an Acquired Company Employee) the number of days of accrued but unused vacation as of the Closing Date.

(b) For a period of one (1) year following the Closing Date, Buyer shall provide or cause to be provided to Acquired Company Employees (other than Randall Talbot, Roger Harbin and their respective management direct reports) who remain employees with Buyer and its Subsidiaries, (i) compensation that is comparable in the aggregate (without regard to any equity or equity-based compensation) to that provided to them immediately prior to Closing, provided that equity or equity-based compensation provided to such Acquired Company Employees prior to Closing shall be disregarded in determining whether compensation is comparable in the aggregate; provided, further, that Buyer in its sole discretion shall determine the portion of compensation to be provided to such Acquired Company Employees that is in the form of equity or equity-based compensation (it being understood that Buyer is under no obligation to provide any equity or equity-based compensation); provided, further, that during such one (1) year period the base salary of such Acquired Company Employees shall not be less than that in effect immediately prior to the Closing and (ii) employee benefits (including severance benefits but excluding retiree health and life benefits) that are comparable in the aggregate to that provided to them immediately prior to Closing.

(c) Effective as of the Closing Date, Buyer or the Acquired Companies shall adopt or otherwise provide a savings plan or plans with a cash or deferred arrangement that is qualified under Section 401(a) of the Code pursuant to which the Acquired Company Employees may participate ("Buyer's Retirement Plan"). Acquired Company Employees who are participants in any Plan which is a retirement plan qualified under Section 401(a) of the Code ("Seller's Retirement Plan") shall be allowed to rollover their distributable benefits, including, to the extent permitted by Seller's Retirement Plans and Buyer's Retirement Plans, any notes representing participant loans, from Seller's Retirement Plans into Buyer's Retirement Plan. Seller shall fully vest (to the extent not already fully vested) as of the Closing each Acquired Company Employee in his or her accrued benefits under each Seller Retirement Plan.

(d) Seller shall continue to provide retiree health and life benefits to each former employee of an Acquired Company who is eligible for retiree health and life benefits under any Seller Plan that is a group health and life plan ("Seller's Retiree Plans") whose termination of employment occurs on or prior to the Closing Date. Following the Closing Date, Buyer or the Acquired Companies shall adopt a group health plan and group term life plan in which the Acquired Company Employees and their dependents may participate ("Buyer's Group Welfare Plans").

(e) For purposes of determining eligibility to participate and vesting (and for benefit accrual purposes in the case of vacation and severance plans) where length of service is relevant under any employee benefit plan or arrangement of Buyer and its subsidiaries (or of Parent and its subsidiaries, to the extent an Acquired Company Employee shall become eligible to participate therein), Acquired Company Employees shall receive service credit for service with Seller and any of its Subsidiaries to the same extent such service was credited under similar employee benefit plans and arrangements of Seller and its Subsidiaries; provided, however, that such service need not be credited to the extent that it would result in a duplication of benefits.

(f) Parent, Buyer, the Acquired Companies and their respective Subsidiaries will (i) use their commercially reasonable efforts to cause any third party insurers to waive, and will waive with respect to self-insured benefits, all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to Acquired Company Employees under any new welfare benefit plans that such employees may be eligible to participate in after the Closing Date, other than limitations or waiting periods that are already in effect with respect to such employees and that have not been satisfied as of the Closing Date under any welfare plan maintained for Acquired Company Employees immediately prior to the Closing Date, and (ii) provide each Acquired Company Employee with credit for any co-payments and deductibles paid prior to the Closing Date in respect of the year in which the Closing occurs in satisfying any applicable deductible or out-of-pocket requirements under any welfare plans for such year that such employees are eligible to participate in after the Closing Date.

(g) No provision of this Section 4.6 shall create any third party beneficiary or other rights in any Acquired Company Employee or former employee (including any beneficiary or dependent thereof) of Seller in respect of continued employment (or resumed employment) with Buyer, Parent or their respective subsidiaries including the Acquired Companies and no provision of this Section 4.6 shall create any such rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any Plans or any such similar plan or arrangement which may be established by Parent, Buyer, or any of their respective subsidiaries for Acquired Company Employees.

(h) At least thirty (30) days prior to the anticipated Closing Date, Buyer shall identify in writing those Bank Channel Employees that it desires to employ after the Closing Date. Buyer shall offer employment to all such identified Bank Channel Employees upon such terms and conditions as it determines in its sole discretion (subject to Buyer's obligations under the other provisions of this Section 4.6) and Seller shall cause Talbot Financial, Inc. to terminate the employment of such identified Bank Channel Employees as of the Closing Date. Each identified Bank Channel Employee who accepts Buyer's offer of employment shall be treated as an Acquired Company Employee. With respect to each Bank Channel Employee who becomes an Acquired Company Employee, Buyer shall be solely responsible for any severance or similar benefits that may be payable, if any, to such Acquired Company Employee in respect of his or her termination of employment following the Closing with Buyer and its Affiliates. Except as set forth in the preceding sentence, any liability, obligation or commitment of Seller, GAC or any other Subsidiary of Seller or GAC that relates to, or that arises out of, the employment or the termination of the employment with any such person of any Bank Channel Employee (including as a result of the transactions contemplated by this Agreement) shall be the responsibility of the Seller or such Subsidiary (including any accrued but unused vacation, severance or similar benefits that may be payable, if any, to Bank Channel Employees in respect of their termination of employment with Seller and its Affiliates as of the Closing) and none of Parent, Buyer or any Acquired Company shall have any liability therefor.

Section 4.7 Investment Portfolio. Seller shall cause the investments of the Acquired Companies to be maintained, and shall not permit any sales or other dispositions of investments, other than in the ordinary course of business and in accordance with the Investment Guidelines. From the date hereof to the Closing Date, Seller shall deliver to Buyer, within ten (10) Business Days after the end of each calendar month, a true and correct list of (a) all investments constituting the Investment Portfolio as of the end of such month, the issuer of such investments, the nominal amount owned and the market value with respect to public investments (or book value with respect to private investments) of such investments as of the end of such month and (b) all investments sold or otherwise disposed of at any time prior to the end of such month, the sale or disposition price, the carrying value of such investments for statutory accounting purposes immediately prior to the sale or disposition, and any gain or loss for statutory accounting purposes.

Section 4.8 Tax Matters. The following provisions shall govern the allocation of responsibility as between Buyer and Seller for certain Tax matters:

(a) Seller Responsibility.

(i) Seller will timely file the U.S. federal income Tax Returns of the Affiliated Group and any Combined Returns (taking into account extensions thereto) for all periods (including any Pre-Closing Tax Period) and will pay any Taxes with respect thereto. The parties agree that they will treat the Acquired Companies as if they ceased to be part of the Affiliated Group, and any comparable or similar group of state, local or foreign laws or regulations, as of the close of business on the Closing Date. Seller will provide Buyer with copies of the separate company pro-forma portion (including only information related to the Acquired Companies) of such Pre-Closing Tax Period Tax Returns (other than Tax Returns filed for estimated Tax payments) filed after the Closing Date pursuant to this Section 4.8(a)(i) within fifteen (15) days after filing of such Tax Returns.

(ii) Seller shall prepare and timely file or shall cause to be prepared and timely filed all other Tax Returns of the Acquired Companies due after the Closing Date for Pre-Closing Tax Periods that do not include a Straddle Period. Seller shall permit Parent and Buyer to review and comment on any Tax Return (other than any Tax Returns filed for estimated Tax payments) prepared pursuant to this Section 4.8(a)(ii).

(iii) All Tax Returns prepared pursuant to this Section 4.8(a) shall be prepared on a basis consistent with the past practices of the Seller and the Acquired Companies and, if Seller has a choice between positions that are consistent with past practices, Seller shall act in a manner that does not distort taxable income (e.g., by deferring income or accelerating deductions).

(b) Buyer Responsibility. Parent and Buyer shall prepare or cause to be prepared and filed or cause to be filed all Tax Returns of the Acquired Companies that relate to Post-Closing Tax Periods and Straddle Periods. All Tax Returns prepared pursuant to this Section 4.8(b) that relate to Straddle Periods shall be prepared on a basis consistent with the past practices of the Acquired Companies and, if Buyer has a choice between positions that are consistent with past practices, Buyer shall act in a manner that does not distort taxable income. Parent and Buyer shall permit Seller to review and comment on each such Tax Return that includes a Pre-Closing Tax Period prior to filing and shall make such revisions to such Tax Returns as are reasonably requested by Seller. The Seller shall reimburse Buyer for any Taxes attributable to the portion of the Straddle Period related to the Pre-Closing Tax Period not reserved or otherwise expensed on the June Financial Statements (other than interest or penalties due solely to a failure or delay in filing a required Tax Return or in paying a required Tax not otherwise caused by Seller) as soon as practicable after the date paid by the Buyer. Buyer shall reimburse Seller for any Straddle Period Taxes reserved or otherwise expensed on the June Financial Statements (other than interest or penalties solely from a failure or delay in filing a required Tax Return or in paying a required Tax not otherwise caused by Seller) in excess of the amount of Taxes attributable to the portion of the Straddle Period related to the Pre-Closing Tax Period as soon as practicable after the date paid by the Buyer.

(c) Straddle Periods. For purposes of this Agreement, in the case of any Taxes that are imposed on a periodic basis over a Straddle Period, the portion of such Tax that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Straddle Period. In the case of any Tax based upon income or receipts, the portion allocable to the Pre-Closing Tax Period shall include operations through the Closing Date (i.e., with respect to operations, based on an interim closing of the books on the Closing Date).

(d) Tax Audits of Consolidated/Combined Returns. Seller shall be solely responsible for and shall control all proceedings with respect to any audit of the consolidated federal income Tax Return of the Affiliated Group and any Combined Returns or any Tax claim relating to Taxes solely with respect to a Pre-Closing Tax Period, provided, that Seller shall promptly furnish written notice to Buyer of such audit and Buyer shall have the right to provide non-binding advice to Seller, who shall consult and act in good faith with respect to such audit, in each case, to the extent the audit relates to the Acquired Companies. Without the written consent of Parent or Buyer, which shall not be unreasonably withheld, Seller shall not settle any audit of a consolidated federal income Tax Return of the Affiliated Group or a Combined Return to the extent that such return related to the Acquired Companies in a manner which would disproportionately adversely affect the Acquired Companies after the Closing Date (e.g., a disproportionately adverse Tax treatment to the Acquired Companies after the Closing Date as compared to the effect to the Acquired Companies before the Closing Date) or if Seller favorably settles a Tax issue for members of the Affiliated Group other than the Acquired Companies in return for an adjustment that adversely affects the Acquired Companies only after the Closing Date, Seller shall be deemed to have settled such Tax issue in a manner which disproportionately adversely affects the Acquired Companies after the Closing Date). Otherwise, Seller shall have the sole discretion to settle any audit of a U.S. federal income Tax Return of the Affiliated Group or a Combined Return. Buyer shall control all proceedings with respect to all Tax audits or claims related solely to a Post-Closing Tax Period.

(e) Tax Indemnity Procedures.

(i) Except as otherwise provided, if (a) a claim for Taxes is made against Parent or Buyer, (b) Parent or Buyer intends to seek indemnity with respect thereto under Section 7.5 and (c) such claim relates to Taxes with respect to a Pre-Closing Tax Period (other than a Straddle Period), Parent and Buyer shall promptly furnish written notice to Seller and GAC of such claim. Seller and GAC shall have the shorter of (x) forty-five (45) days after receipt of such notice or (y) fifteen (15) days less than the number of days before a response to the relevant taxing authority is required, but in no event shall Seller and GAC have less than fifteen (15) days, to decide whether to undertake, conduct, and control (through counsel of its own choosing and at its own expense) the settlement or defense thereof, and Parent, Buyer and the Acquired Companies and their respective Affiliates shall cooperate with it in connection therewith. Seller and GAC shall permit Parent, Buyer and the Acquired Companies to participate in such settlement or defense through counsel chosen by Parent and Buyer (but the fees and expenses of such counsel shall be paid by Parent, Buyer or the Acquired Companies). Seller and GAC shall not pay or settle any such claim without the prior written consent of Buyer, which consent shall not be unreasonably withheld to the extent such settlement adversely effects any Acquired Company in a Post-Closing Tax Period. If within the shorter of (x) forty-five (45) days after the receipt of Parent's or Buyer's notice of a claim of indemnity hereunder or (y) fifteen (15) days less than the number of days before a response to the relevant taxing authority is required, but in no event shall Seller and GAC have less than fifteen (15) days, Seller and GAC do not notify Parent and Buyer that Seller and GAC elect (at their cost and expense) to undertake the defense thereof, or gives such notice and thereafter fails to contest such claim in good faith or to prevent action to foreclose a lien against or attachment of Buyer's property as contemplated above, Parent and Buyer shall have the right to contest, settle, or compromise such claim and Parent and Buyer shall not thereby waive any right to indemnity for such claim under this Agreement; provided, however, none of Parent, Buyer or the Acquired Companies shall pay or settle any such claim without the prior written consent of Seller and GAC, which consent shall not be unreasonably withheld.

(ii) If (a) a claim for Taxes is made against Parent or Buyer, (b) Parent or Buyer intends to seek indemnity with respect thereto under Section 7.5 and (c) such claim relates to a Straddle Period, Parent and Buyer shall promptly furnish written notice to Seller and GAC of such claim. Parent, Buyer and the Acquired Companies shall undertake, conduct, and control the settlement or defense thereof. Parent, Buyer or the Acquired Companies shall not pay or settle any such claim without the prior written consent of Seller and GAC, which consent shall not be unreasonably withheld.

(f) Buyer and the Acquired Companies, on one hand, and Seller, on the other hand, shall cooperate fully, as and to the extent reasonably requested by the other, in connection with the filing of Tax Returns pursuant to this Section 4.8 and any audit, litigation or other proceeding with respect to Taxes. In that regard, Seller, Buyer and the Acquired Companies shall, at their own expense, maintain such Tax information or Tax records relating to the Acquired Companies as are regularly maintained by such party or as may be required by Law to be maintained. Such Tax records or Tax information shall be made available upon written request by the Seller or the Buyer or the Acquired Companies, as the case may be, within 10 Business Days of such request. If the requesting party, in its reasonable judgment, shall determine that it is necessary that any such Tax records or Tax information be made available before 10 Business Days from such request, the other party shall use commercially reasonable efforts to make such Tax records or Tax information available (or cause such Tax records or Tax information to be made available) within such shorter period, but in no event upon less than two (2) Business Days prior written notice from the requesting party. Subject to the confidentiality requirements of Section 4.2(a), the non-requesting party shall, upon request by the requesting Party, promptly furnish the requesting party with a copy of such Tax records or Tax information. Notwithstanding the foregoing, Seller and Buyer shall only be obligated to provide that portion of their federal consolidated Tax Returns or Combined Tax Returns (and accompanying Tax records or Tax Returns) that directly relates to the Acquired Companies. In any event, the provision of access to such Tax records or Tax information shall not unreasonably interfere with the business operations of the non-requesting party.

(g) Refunds and Tax Benefits. (i) Any income tax refunds that are received by Parent, Buyer or the Acquired Companies, and any amounts credited against Taxes to which Buyer or the Acquired Companies become entitled, that relate to Pre-Closing Tax Periods shall be for the account of Seller, and Buyer shall pay over to Seller any such refund or the amount of any such credit within fifteen (15) days after receipt of such refund or use of such credit. In addition, to the extent that a claim for refund or a proceeding results in a payment or credit against income Tax by a taxing authority to Parent, Buyer or the Acquired Companies of any amount accrued on the June Financial Statements, Buyer shall pay such amount to Seller within fifteen (15) days after receipt of such refund or use of such credit.

(ii) Notwithstanding the foregoing, any cash refunds less any associated costs (including, but not limited to, administrative costs, an adverse economic impact (including the economic impact of an adverse accounting treatment) and additional Taxes) from the carryback of capital losses of the Acquired Companies shall be for the account of Buyer to the extent that such refunds are attributable to a Tax period beginning after the Closing Date (or the portion of any Straddle Period that begins after the Closing Date). Seller shall pay such cash received by Seller to Buyer within fifteen (15) days after the receipt of such cash refund. For the avoidance of doubt, Buyer shall be entitled to such cash refund under this Section 4.8(g)(ii) solely to the extent that such cash refund (taking into account only capital loss carrybacks of the Acquired Companies after the Closing Date) is greater than the sum of (a) the refund that would have resulted had there been no such carryback and (b) any costs incurred by Seller as a result of such carryback. In the event Seller's use of the carryback of such losses is disallowed after the payment to Buyer by

Seller under this Section 4.8(g)(ii) or Seller is able to carryback its own capital losses, Seller shall notify Buyer of the portion of the tax refund not allowed to Seller or that is deemed replaced by Seller's capital losses and Buyer shall reimburse Seller for the amount allocable to Buyer within 15 days of such notice. To the extent that Seller receives any Tax benefit as a result of the carryback of capital losses of the Acquired Companies in respect of which Buyer has not received payment pursuant to the immediately preceding sentences, Seller shall pay to Buyer an amount equal to the economic benefit of such Tax benefit (less any associated costs) within 15 days of utilizing such Tax benefit, subject to reimbursement as set forth in this Section 4.8(g)(ii). To the extent the amount of any refund or Tax benefit is reduced by associated costs pursuant to this Section 4.8(g)(ii) (including a later request for reimbursement of such costs), Seller shall provide Buyer with a description of such associated costs.

(h) Amended Returns and Refund Claims. Parent and Buyer shall not file an amended Tax Return or any claim for refund for any Pre-Closing Tax Period without the written consent of Seller, which consent shall not be unreasonably withheld. Any carryback of losses or credits to any period ending on or prior to the Closing Date shall be subject to Section 4.8(g).

(i) Tax Sharing Agreements. Any Tax sharing agreement or similar arrangement, agreement or practice between any of the Acquired Companies and any other Person (including Seller) is terminated as of the Closing Date and shall have no further effect for any taxable year (whether the current year, a future year or a past year).

(j) No Foreign Status. Seller shall deliver to Buyer at closing a certificate certifying that the transactions contemplated hereby are exempt from withholding under Section 1445 of the Code.

Section 4.9 Consents.

(a) To the extent that the consummation of the transactions contemplated by this Agreement requires the consent or approval of another party to any Contract or Other Agreement with an Acquired Company (including, if applicable, any consent required from a financier pursuant to a 12b-1 financing arrangement between such financier and any of the Registered Investment Companies), Seller shall use its commercially reasonable efforts to obtain, and to cause GAC and the Acquired Companies, to use commercially reasonable efforts to obtain, such consents or approvals. Seller agrees to cooperate with Buyer and use commercially reasonable efforts to cause each Registered Investment Company that is a management investment company to enter into an "interim advisory contract" within the meaning of, and pursuant to, Rule 15a-4 under the Investment Company Act, if necessary.

(b) Without limiting the generality of the foregoing, Seller shall, as promptly as practicable, cause the Acquired Companies to (i) use their commercially reasonable efforts to cause (A) the consideration and due approval by the Investment Company Board of each Registered Investment Company having such a Board at a duly called meeting of such Board and (B) to the extent required by the Investment Company Act, the consideration and due approval by such Registered Investment Company's shareholders or unitholders at a duly called meeting of such shareholders, of (x) a new Investment Company Advisory Agreement (or, where permitted, approval of continuation of the existing Investment Company Advisory Agreement) with the same investment adviser, to become effective upon the Closing, (y) where applicable, an amended Rule 12b-1 distribution plan, in each case on the same material terms as in effect on the date hereof, (z) where applicable, new sub-advisory, fund accounting/administration and transfer agency agreements and (aa) at the Buyer's sole discretion, the approval of new independent trustees reasonably satisfactory to the Buyer to the Investment Company Board of each Registered Investment Company having such a Board, (ii) use their commercially reasonable efforts to cause each Registered Investment Company to prepare and file with the SEC and all other Governmental Entities having jurisdiction thereover, as promptly as practicable after the date hereof, all proxy solicitation materials required to be distributed to shareholders or unitholders of such Registered Investment Company with respect to the actions recommended for their approval by the Investment Company Boards, (iii) use their commercially reasonable efforts to cause each Registered Investment Company to respond promptly to any comments made by the SEC and all other Governmental Entities having jurisdiction thereover, with respect to the proxy solicitation materials, and (iv) use their commercially reasonable efforts, promptly after the completion of the actions described in clauses (ii) and (iii) above, to mail such proxy solicitation materials to such shareholders or unitholders and cause to be submitted to a meeting of shareholders or unitholders of such Registered Investment Company as soon as practicable after such mailing the proposals described in clause (i), above, all such consents and such proxy solicitation to be in form and substance reasonably satisfactory to Parent and in compliance with Section 2.21(b)(x).

(c) Parent and Buyer shall provide such information and data as may be reasonably requested by Seller for inclusion in the proxy solicitation materials referred to in Section 4.9(b). Such information and data shall not contain any untrue statement of a material fact, or omit to state any material fact required to make the statements therein, in light of the circumstances in which they were made, not misleading.

Section 4.10 Investment Company Matters.

(a) Prior to the Closing, each of the parties hereto shall use its commercially reasonable efforts to ensure compliance with Section 15(f) of the Investment Company Act, so that the transaction set forth in Section 1.1 will be in compliance at the Closing with such Section 15(f), including, to assure that on the Closing Date at least seventy-five percent (75%) of the board of directors or trustees of each Registered Investment Company are not "interested persons" (as defined in the Investment Company Act) of the Acquired Companies, Parent or Buyer.

(b) Following Closing, Parent and Buyer agree to use their commercially reasonable efforts to assure compliance with the conditions of Section 15(f) of the Investment Company Act with respect to any Registered Investment Company. Without limiting the foregoing, Buyer agrees that: (i) for a period of at least three (3) years after the Closing Date, Buyer shall use commercially reasonable efforts to cause at least seventy-five percent (75%) of the members of the board of directors or trustees of each Registered Investment Company not to be "interested persons" (as defined in the Investment Company Act) of Buyer (or an Affiliate of Buyer which acts as adviser or subadviser to the Registered Investment Companies), or of the predecessor investment adviser of the relevant Registered Investment Company; and (ii) for a period of at least two (2) years after the Closing Date, Buyer (or any Affiliate of Buyer which acts as adviser to any Registered Investment Company), shall use commercially reasonable efforts not to impose, or have any express or implied understanding, arrangement or intention to impose, an "unfair burden" on such Registered Investment Company (as such term is interpreted under the Investment Company Act) as a result of the transactions contemplated herein. For the purposes of clause (i) above, "commercially reasonable efforts" means that the Buyer:

(i) causes to be distributed to the trustees of each Registered Investment Company that enters into a new Investment Company Advisory Agreement with Safeco Asset Management on at least an annual basis, a questionnaire containing questions reasonably designed to elicit information pertaining to the status of such directors as "interested persons" (for purposes of Section 15(f)(1)(A) of the Investment Company Act) of Buyer or its Affiliates or of Seller or its Affiliates (collectively, the "Relevant Entities");

(ii) requests the members of the board of trustees of each Registered Investment Company that enters into a new Investment Company Advisory Agreement with Safeco Asset Management to promptly notify Buyer of any change in their status under Section 15(f)(1)(A) of the Investment Company Act; and

(iii) at such time as it learns of a change in the status of a trustee that would cause more than 25% of the members of the board of trustees of any Registered Investment Company that enters into a new Investment Company Advisory Agreement with Safeco Asset Management to be "interested persons" of Relevant Entities, takes reasonable steps to correct such situation as promptly as practicable, including causing any trustees affiliated with Buyer or any of its Affiliates to resign from the board of trustees of such Registered Investment Company to the extent required to correct such situation.

(c) Prior to the Closing, Seller shall use, and shall cause GAC and the Acquired Companies to use, subject to any fiduciary duties to the Registered Investment Companies, their commercially reasonable efforts to ensure that the Registered Investment Companies take no action that would (i) prevent any Registered Investment Company from qualifying as a "regulated investment company," within the meaning of Section 851 of the Code or (ii) be inconsistent with any Registered Investment Company's prospectus or other offering document and other offering, advertising and marketing materials. Prior to the Closing, Seller shall use, and shall cause GAC and the Acquired Companies to use, subject to any fiduciary duties to the Separate Accounts, their commercially reasonable efforts to ensure that neither any Separate Account nor any Insurance Subsidiary with respect to a Separate Account, takes any action that would be inconsistent with the Separate Account's prospectus or other offering document and other offering, advertising and marketing materials.

(d) Seller will deliver to the Buyer at the same time as the filing thereof a complete copy of each SEC Document filed by each Investment Adviser Subsidiary on or after the date hereof and on or prior to the Closing Date.

(e) For purposes of this Section 4.10, "Registered Investment Company" will not include any Registered Separate Account.

(f) In the event that Buyer or any Affiliate of Buyer (including the Acquired Companies after the Closing) acts as agent or representative of any regulated investment company within the meaning of Section 851 of the Code with respect to any Tax matter relating to any Tax period ending prior to or including the Closing Date, then, to the extent permissible, Buyer shall (i) promptly provide Seller with written notice of the circumstances relating to such matter and copies of all relevant correspondence and documents, (ii) consult with Seller regarding the proper resolution of such matter and (iii) upon Seller's written notice, permit Seller to the greatest extent possible to assume responsibility for and control such matter (it being understood that Seller shall not have control of such matter unless Seller in its written notice acknowledges its responsibility to indemnify Buyer pursuant to Section 7.5 for any Losses that arise out of such matter, as mitigated or increased by Seller's control of such matter; it being further understood that, notwithstanding Seller's written notice, Buyer may continue to control the matter to the extent and if required or directed to do so by applicable law or any applicable judicial or administrative authority, and if Buyer has given Seller a reasonable opportunity (to the extent practical taking into account the exigencies of the situation) to cooperate with Buyer in approaching the applicable authority with the objective of persuading such authority that Seller may maintain control over such matter). Buyer shall cooperate with, and take such actions reasonably requested by, Seller in implementing this provision and shall be entitled to reimbursement from Seller for all reasonable out-of-pocket expenses incurred by Buyer in providing such cooperation. The procedures contained in this Section 4.10(f) are in addition to those set forth in Section 7.4.

(g) In the case of any breach or potential breach of any representation made by Seller in Sections 2.19(d)(ii), 2.22(c) or 2.22(d) (which shall include, but not be limited to, any proposed action to mitigate any potential Losses from the breach or potential breach of such representations and warranties) for which any Buyer Indemnified Party would be entitled to indemnity pursuant to Section 7.5, Seller shall have the right (before Buyer or Parent notifies the IRS, any Policy Owner or any person other than the Seller of such breach or potential breach or takes any action to remedy such potential breach, mitigate any potential Losses therefrom or make any claim under this Agreement therefor, except that Buyer or Parent may make any such notification or take any such action if (x) required or directed to do so by applicable law or any applicable judicial or administrative authority and (y) after notifying Seller of the notification or action that Buyer is so required or directed to take and giving Seller a reasonable opportunity (to the extent practical taking into account the exigencies of the situation) to cooperate with Buyer in approaching the applicable authority with the objective of persuading such authority that such notification or action is not necessary, the Buyer continues to be required or directed to make such notification or take such action):

(i) to be notified in writing by Buyer or Parent of such breach or potential breach, if Seller has not previously notified Buyer in writing of such breach or potential breach;

(ii) within 30 days after such a written notice about such potential breach, to notify Buyer in writing that Seller proposes to develop, at Seller's expense, a plan to remediate or mitigate any potential adverse Tax consequences or Losses resulting from such potential breach (a "Remediation Plan"), which may or may not involve corrective proceedings with the IRS (it being understood that Seller shall not have exclusive control over the development and implementation of the Remediation Plan unless Seller in such notice acknowledges its responsibility to indemnify Buyer pursuant to Section 7.5 for any Losses that in fact ultimately result from such breach or potential breach, as mitigated or increased by the implementation of the Remediation Plan);

(iii) to have exclusive control over the development and implementation of such a Remediation Plan;

(iv) to have a reasonable time (not to exceed six (6) months) to develop such a Remediation Plan; and

(v) to have a reasonable time (not to exceed twelve (12) months) to implement such a Remediation Plan after Seller notifies Buyer in writing that it has been developed, which reasonable time shall be extended for any corrective proceedings with the IRS and any corrective time period allowed by the IRS and any time period during which Buyer and Seller have any reasonable disagreement about such implementation or during which Buyer is acting unreasonably.

Buyer and Parent shall reasonably cooperate with Seller (and cause the appropriate Insurance Subsidiary to cooperate) in taking any corrective action under such

Remediation Plan, including the preparation and filing of any documents for any IRS corrective proceedings, and shall be entitled to reimbursement from Seller for all reasonable out-of-pocket expenses incurred by Buyer or Parent in providing such cooperation. The procedures contained in this Section 4.10(g) are in addition to those set forth in Section 7.4. For avoidance of doubt, in the event that the development or implementation of any Remediation Plan has the effect of increasing the Losses incurred by any Buyer Indemnified Party as a result of any breach of any representation made by Seller in Sections 2.19(d)(ii), 2.22(c) or 2.22(d), the appropriate Buyer Indemnified Party shall be entitled to indemnification with respect to such Losses in such increased amount under Section 7.5.

Section 4.11 Prospectus Sticker. As promptly as practicable on or after the date of this Agreement, Seller will cause, at its own expense, the preparation and filing on behalf of each Registered Investment Company of a prospectus sticker or amendment in form and substance reasonably satisfactory to Parent and Seller for the purpose of describing the proposed changes to the operations of such Registered Investment Company as contemplated by this Agreement, including the new Investment Company Advisory Agreement and any proposed new trustees or directors.

Section 4.12 Advisory Agreements. Unless otherwise previously agreed to by Parent, each Investment Adviser Subsidiary shall notify each of its Clients, subject to Section 4.9 with respect to the Registered Investment Companies, of the transaction set forth in Section 1.1 and shall use its commercially reasonable efforts to obtain, prior to the Closing Date, the consent of each such Client to the "assignment" (as such term is used in the Investment Advisers Act) of its Advisory Agreement as a result of the transaction set forth in Section 1.1 in accordance with the Investment Advisers Act, which consent, other than with respect to Clients that are Registered Investment Companies, may be obtained in accordance with the so-called "negative consent" or "no objection received" process permitted under interpretations of the consent process by the SEC. Seller shall cooperate and consult with Parent regarding material written communications with Clients concerning the obtaining of such consents.

Section 4.13 Intercompany Obligations. At least two (2) Business Days before June 30, 2004, Seller will furnish Buyer with a complete list and description of all liabilities and receivables between the Acquired Companies and Seller or any other Affiliate of Seller (including any liability or reserves of the Acquired Companies under any Tax allocation or Tax sharing agreement) which would otherwise be outstanding on the Closing Date. Except as specifically provided below with respect to Tax sharing agreements, or as otherwise expressly contemplated in this Agreement, all such liabilities will be paid in full at or before June 30, 2004. On June 30, 2004, Seller will terminate and will cause its Affiliates to terminate each contract, other than Related Contracts, between or among the Acquired Companies and Seller or any other Affiliate of Seller based on a good faith estimate of amounts owed as of that date, and Buyer and Seller agree to each make appropriate payment by August 15, 2004 as required to settle any differences between the good faith estimates and actual amounts owed between the Acquired Companies and Seller or any other Affiliate of Seller. Buyer and Seller agree that from July 1, 2004 through the Closing, the services to be provided from Seller to the Acquired Companies shall be provided by Seller (or a Subsidiary of Seller) to the Acquired Companies on the same terms and conditions (including pricing) as are currently being provided.